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2014-415-W

AAA UTILITIES, INC
3071 Hwy 6
Lexington, S.C. 29073
803-755-1203

October 17, 2014

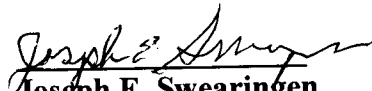
**Jocelyn Boyd
Clerk/Administrator
Public Service Commission of SC
101 Executive Center Drive Suite 100
Columbia, SC 29210**

Dear Ms. Boyd:

Please accept this letter as a request for approval of AAA Utilities, Inc.'s purchase of Lake Princeton Water System, LLC. Attached is a copy of the signed contract between Perry Tidwell, owner of Lake Princeton and Joseph E. Swearingen, owner of AAA Utilities officiating the sale.

We are asking the PSC to approve the sale and transfer of Lake Princeton Water System without a Hearing.

Sincerely,


**Joseph E. Swearingen
AAA Utilities, Inc.**

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SC PUBLIC SERVICE
COMMISSION

STATE OF SOUTH CAROLINA)
)
COUNTY OF LEXINGTON) DRINKING WATER SYSTEM
) ASSET PURCHASE
) AGREEMENT

This agreement is entered into on 9-30-14 between Lake Princeton Water Company, a sole proprietorship organized and existing under the laws of South Carolina, hereinafter referred to as Seller, and AAA Utilities, Inc., a South Carolina company, hereinafter referred to as Utility or Buyer.

RECITALS

1. The Seller owns a water system that serves the customers at Lake Princeton in Lexington County, South Carolina ("System").
2. The Seller desires to sell and the Buyer desires to purchase all of the properties, assets, and rights of the Seller in and to the System, subject to the prior approval by the South Carolina Department of Health and Environmental Control ("SC DHEC") and the Public Service Commission of South Carolina of South Carolina ("PSC").
3. The Seller is willing to sell and to transfer such properties, assets, and rights to the Buyer in consideration of the purchase price set forth in Section Two hereof and in consideration of the Buyer assuming and agreeing to be responsible for the operation and maintenance of the System.

In consideration of the mutual covenants and promises contained in this Agreement, the parties hereto agree as follows:

SECTION ONE
SUBJECT MATTER

Subject to the terms and conditions of this Agreement and the recitals hereinabove, the Seller agrees to sell and deliver to the Buyer, and the Buyer agrees to purchase and to take from the Seller at Closing:

1. All of the properties, assets, licenses and permits, contracts, accounts receivable, and other rights of Seller of every kind and description, real, personal, mixed, tangible, and intangible, wherever situated, utilized in the operation of Lake Princeton Water Company in Lexington County, South

Carolina, and as listed on the attached Exhibit "A", which is incorporated herein by reference (the "Assets").

2. At Closing, the Buyer shall assume and be responsible for the maintenance and operation of the System.
3. Up until the Date of Closing, Seller shall be responsible for the continued operation of the System.

SECTION TWO **CONSIDERATION**

At Closing, as consideration for the sale and transfer of the System to the Buyer, the Buyer agrees to pay to Seller the Purchase Price of One and no/100 (\$1.00) Dollar.

SECTION THREE **CONTINGENCIES**

This Agreement is made subject to the following contingencies:

1. This Agreement is specifically conditioned upon, and expressly subject to, the final approval of this sale prior to Closing by both South Carolina Department of Health and Environmental Control (SC DHEC) and the Public Service Commission of South Carolina of South Carolina (PSC). Utility will apply to the PSC as soon as practicable for the issuance of an order approving the transfer to the Utility. All terms and conditions contained herein are subject to Utility receiving said Order from the PSC.
2. The conveyance of a recorded Bill of Sale for assets free and clear of all liens and encumbrances.
3. The conveyance of a recorded Easement document.
4. This agreement is contingent upon the Buyer being able to obtain all permits and licenses necessary for the operation of the System.

SECTION FOUR **CLOSING**

1. Closing Date. Closing will be held within thirty days (30) days after the required approvals are obtained and the other conditions and contingencies are met. The parties may mutually agree to extend the Closing Date by written agreement.

2. Closing. On the Closing Date, the following shall occur, subject to the satisfaction of the terms and conditions of this Agreement.

- a. The Seller shall convey to the Buyer all rights-of-way and easements necessary for the operation of the System.
- b. The Seller shall execute and deliver to the Buyer a Bill of Sale transferring all the Assets of the System to the Buyer free and clear of all liens and encumbrances.
- c. The Seller shall deliver possession of and access to the System and all of the Assets purchased by Buyer at Closing.
- d. The Closing costs shall be paid by the parties as follows:

Seller: To pay its own attorney's fee and any recording fees associated with the Closing, if applicable.

Buyer: To pay its own attorney's fees and any other acquisition costs which it incurs, if applicable.

The Seller shall deliver to Buyer prior to Closing all customer records; all records pertaining to and necessary for the operation of the System, all records pertaining to the Assets being purchased, and all other information on file regarding the System.

SECTION FIVE

"AS IS" CLAUSE

Seller is selling the property "as-is, where-is" and without any representations or warranties. Upon expiration of the inspection period without termination, Buyer agrees to accept the property in its present condition, subject to all patent and latent defects, if any, and without representation or warranty of any kind, except only as is expressly set forth herein, including without limitation, the environmental condition of the property. To the maximum extent lawful and unless clearly and absolutely prohibited by law, all implied warranties of fitness for a particular purpose, merchantability and habitability, any warranties imposed by statute and all other express and/or implied warranties of any kind or character are specifically disclaimed.

SECTION SIX

SELLER'S REPRESENTATIONS AND WARRANTIES

Seller represents and warrants to, and agrees with, Buyer as follows:

1. Seller is a sole proprietorship duly organized, validly existing, and in good standing under the laws of South Carolina, with full power and authority to own its property and to conduct the business that it presently conducts.
2. There are no actions, suits, claims, investigations, or legal or administrative or arbitration proceedings pending or threatened against or for the benefit of, Seller, nor to Seller's knowledge any basis for any such claims.
3. Until the Closing Seller will continue to operate and conduct the System in the usual, regular, and ordinary manner in all material respects. Seller has no knowledge of any facts or circumstances which would cause Seller to believe that there would be any material adverse changes in the operation of the System or with respect to the Assets being sold prior to the Date of Closing.
4. Seller warrants that it has paid any and all payroll, sales, use, workers' compensation, or other such taxes (to the extent that Seller is obligated to pay any such taxes) that the Seller would owe on or before the date and time of Closing. The Seller further agrees to hold harmless the Buyer in regard to any such claims which are made against the Buyer for these items, including reasonable attorney's fees and costs.
5. Seller warrants and represents that the Assets to be transferred are debt free and that, as of Closing, there shall be no liens, encumbrances, or claims of any kind against said Assets to be transferred, and that there are no other parties claiming an interest in said Assets.
6. From the date of this Agreement through the Closing, Seller shall keep all of the Assets in a normal state of repair and operating efficiency, customary in the business and shall use its best efforts to preserve the good will of Seller and its customers and others having business relations with Seller and the System.
7. Seller has the legal power and right to enter into and perform this Agreement. The consummation of the transactions contemplated by this Agreement will not violate Seller's By-laws, and, to the best of Seller's knowledge, will not violate any law, statute or regulation to which Seller is subject.

8. All financial statements of the System furnished to Buyer by Seller under this Agreement are true, correct, and complete statements of the financial condition and results of Seller's operations of the System as, at, and for the period specified, and were prepared according to generally accepted accounting principles consistently applied.
9. Seller has filed all federal, state, county and local income, withholding, FICA, excise, property, sales, and use, and other tax returns that are required to be filed by it, and has paid all taxes due for periods prior to the date of this Agreement. There are no facts or circumstances as of the date of this Agreement known to Seller that might serve as the basis for the creation of liens or liabilities against the Assets being sold hereof.
10. Seller has not employed any broker or agent with respect to the sale and purchase contemplated in this Agreement, nor taken any other action, nor will Seller take any such action, that would cause the Buyer to become liable for the payment of any finder's fee, broker's fee, or commission.
11. As of the Closing, Seller should hold all licenses and permits necessary or appropriate for the operation of the System, and the licenses and permits shall be current and in good standing.
12. The consummation of this Agreement does not violate any Agreement to which the Seller is subject.
13. All Assets are sold are believed to be in good operating condition, subject only to normal wear and tear. However, all assets are sold and transferred in "as is" condition as of the Date of Closing.
14. The Seller does hereby irrevocably assign, transfer, and set over to the Buyer the contractual right to service all customers currently being served, including all customers in the Lake Princeton area of Lexington County.

SECTION SEVEN
BUYER'S REPRESENTATIONS AND WARRANTIES

Buyer represents, warrants to, and agrees with Seller as follows:

1. Buyer is a company duly organized, validly existing, and in good standing under the laws of South Carolina and has full power to carry on its business as now being conducted.
2. The execution of this Agreement and all documents provided for in this Agreement by Buyer and its delivery to Seller have been duly authorized by Buyer's members, and no further action is necessary on Buyer's part to make this Agreement valid and binding on Buyer in accordance with its terms.
3. It will be in a position financially to fulfill the terms of this Agreement as of the Date of Closing.
4. It will use its best efforts in the operation of the System so as to meet all obligations required by this Agreement.
5. The Buyer will assume the operation of the System at Closing so as to meet all obligations required by this Agreement and those continuing after Closing.
6. The Buyer shall indemnify and hold harmless the Seller against and in respect of all liabilities and obligations of, or claims against, Buyer resulting from its operation of the System and properties purchased from the Date of Closing and thereafter, to include reasonable attorney's fees and costs.
7. Buyer has not employed any broker or agent with respect to the sale and purchase contemplated by this Agreement, nor taken any other action, nor will Buyer take any such action, that would cause Seller to become liable for the payment of any finder's fee, broker's fee, or commission.

SECTION EIGHT
OTHER AGREEMENTS

1. The Buyer is not assuming any liabilities in connection with the System that were incurred prior to the Date of Closing.
2. Pending Closing, the Seller shall have the sole responsibility for the operation and management of the System as a going concern.
3. The Seller shall indemnify and hold the Buyer harmless from and against any and all claims or actions which may be brought against the Buyer arising out of the ownership or operation of the System where such claims or actions

related to matters occurring prior to the Date of Closing. This indemnification shall include reasonable attorney's fees and costs incurred by Buyer.

4. The Buyer shall indemnify and hold the Seller harmless from and against any and all claims or actions which may be brought against the Seller arising out of the ownership or operation of the System where such claims or actions related to matters occurring after the Date of Closing. This indemnification shall include reasonable attorney's fees and costs incurred by Seller.
5. Seller further agrees to indemnify and hold the Buyer and its successors and assigns harmless from and against any and all liabilities, claims, actions, suits, and judgments existing prior to the Closing and not expressly assumed by the Buyer in writing, and any costs, expenses, and reasonable attorney's fees incident to same, and incurred by the Buyer in defense of same. The Buyer agrees to provide notice of any such claim to the Seller within (10) days of it being made, and to allow the Seller the right to defend the claim prior to paying it or making any claim to the Seller regarding it. This indemnification and agreement to hold the Buyer harmless shall apply to, but not be limited to, the following:
 - a. All liabilities of the Seller and the System, of any kind or nature, whether accrued, absolute, contingent, or otherwise existing at or prior to the Closing Date;
 - b. Any damage or deficiency arising from any misrepresentation or breach of warranty prior to the Date of Closing;
 - c. Any tort liability of any kind or nature arising from a tort or legal wrong committed by Seller or its employees or agents, prior to the Date of Closing;
 - d. Any violation by Seller or Seller's agents of any laws, statutes, rules, regulations prior to the Date of Closing; and
 - e. All actions, suits, proceedings, demands, assessments, judgments, reasonable costs and expenses incidental to any of the foregoing, which occurred prior to the Date of Closing.

6. Pending the closing of this transaction, Buyer shall exercise no control over the operation of the System. The operations of Seller shall be Seller's sole responsibility up to and including the Date of Closing, or any extension of it, and all risks of loss of Seller during that time shall be borne by Seller.
7. Seller shall be responsible for the payment of all utility services, such as electricity, incurred by it with respect to the System up to the date of Closing. Buyer shall be responsible to have such utility services transferred to its name from and after the date of Closing and to be responsible for the payment of such services from and after Closing.

SECTION NINE **ADDITIONAL DOCUMENTS**

The parties agree to execute all documents as may be necessary to carry out the intent and provisions of this Agreement.

SECTION TEN **GENERAL**

1. Prior to the commencement of utility service for lot owners not already having water service as of the date of Closing, lot owners within Lake Princeton shall be responsible for the payment to Utility of a tap-on fee, at the rate in effect for tap-on fees at that time, which fee will have been previously approved by the PSC. Such fees, usage and all other incidental rates and charges shall be rendered by Utility in accordance with Utility's rates, rules, regulations and conditions of service as approved by the Public Service Commission of South Carolina from time to time and then in effect.
2. No connections are to be made to the System unless approved by Utility.
3. From and after the Closing, Utility warrants and agrees that it shall provide all property owners within the Subdivision with good, adequate and customary water utility service at reasonable rates, such rates to have been approved by the PSC. Utility further warrants and represents that it shall operate, maintain and repair the System promptly and in a good and workmanlike manner and in such a manner as to not impair its ability to fulfill its obligation to provide good, adequate and customary water utility service to the Subdivision.

SECTION ELEVEN

MISCELLANEOUS

1. No waiver of any breach of any covenant or provision herein contained shall be deemed a waiver of any preceding or succeeding breach thereof, or any other covenant or provision herein contained. No extension of time for performance of any obligation or act shall be deemed an extension of the time for performance of any other obligation or act.
2. In the event of the bringing of any action or suit by a party hereto against another party by reason of any breach of any of the covenants, agreements, or provisions on the part of any party arising out of this Agreement, then, in that event, the prevailing party shall be entitled to have and to recover of and from the other party all costs and expenses of the action or suit, including reasonable attorney's fees and any other professional fees resulting therefrom.
3. The parties hereby acknowledge and agree that time is strictly of the essence with respect to each and every term, condition, obligation, and provision hereof and that failure to perform timely any of the terms, conditions, obligations or provisions hereof by any party shall constitute a material breach thereof and a noncurable (but waivable) default under this Agreement by the parties so failing to perform.
4. The parties hereto acknowledge that this Agreement has been negotiated and entered into in the State of South Carolina. The parties expressly agree that this Agreement shall be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of South Carolina.
5. The representations warranties, right, duties, agreements and obligations of the parties provided in this Agreement shall survive the Closing, and this Agreement shall specifically survive the Closing.
6. This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.
7. This Agreement can only be amended or supplemented by a written agreement signed by the parties hereto. It may not be orally modified or changed.

EXHIBIT "A"

List of Assets of the System Being Transferred

- 5,000 Gallon Storage Tank, controls, and miscellaneous appurtenances
- Well & 3 HP Pump
- Emergency Well & 1 HP Pump
- 14 Water Meters & Boxes
- 3,000 Feet of Water Line
- Land by Big Pump & Emergency Pump

8. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

Witnesses as to Seller:

Kelly Swearingen
Print Name: Kelly Swearingen

Jill S. Cuthill
Print Name: Jill S. Cuthill

Lake Princeton Water Company

BY: [Signature]
Printed Name: PERRY W. TIDWELL

ITS: OWNER

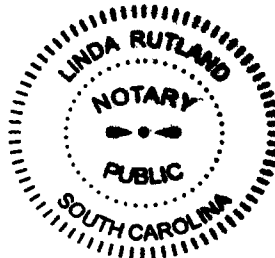
Witnesses as to Buyer:

Elizabeth H Swearingen
Print Name: Elizabeth H Swearingen

Jill S. Cuthill
Print Name: Jill S. Cuthill

AAA Utilities, Inc.

BY: [Signature]
Printed Name: J.E. Swearingen
ITS: President



My Commission Expires April 28, 2022

Linda Rutland